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November 27, 1981

CHAIRMAN

The Honorable Larry Pressler, Chairman Subcommittee on Arms Control, Oceans and International Environment Committee on Foreign Relations U. S. Senate Washington, D.C. 20510

Dear Mr. Chairman:

Over the past several years, Commissioners have expressed concern to the Congress regarding the adequacy of International Atomic Energy Agency (IAEA) safeguards. The Commission has noted that the NRC has had little or no safeguards information in making its export determinations under the Nuclear Nonproliferation Act.

In keeping with our responsibility to keep Congress fully and currently informed, we are writing to update our assessment of IAEA safeguards. The NRC is concerned that the IAEA safeguards system would not detect a diversion in at least some types of facilities. In addition, we are not confident that the member states would be notified of a diversion in a timely fashion. We are also communicating our concerns to the Executive Branch in the interests of helping to bring about improvements in IAEA safeguards.

We are reviewing our responsibilities under the Atomic Energy Act of 1954, as amended, for the licensing of nuclear exports in the light of these concerns and will inform you of our conclusions.

Sincerely

Nunzio J. Palladino

cc: Senator Alan Cranston

Identical Letters sent to: Rep. Udall, cc: Lujan; Rep. Ottinger, cc: Moorhead; Rep. Moffit, cc: Deckard; Rep. Zablocki, cc: Broomfield; Sen. Percy, cc: Glenn; Sen. Simpson, cc: Hart